

# Life Cycle Certification

## Regional Transportation Plan

### Freeway Program

January 31, 2007





# Arizona Department of Transportation

Certification of Revenue and Construction Costs for the

## Regional Transportation Plan Freeway Program January 31, 2007



A handwritten signature in black ink, reading "Victor M. Mendez".

Victor M. Mendez, Director  
Arizona Department of Transportation

## TABLE OF CONTENTS

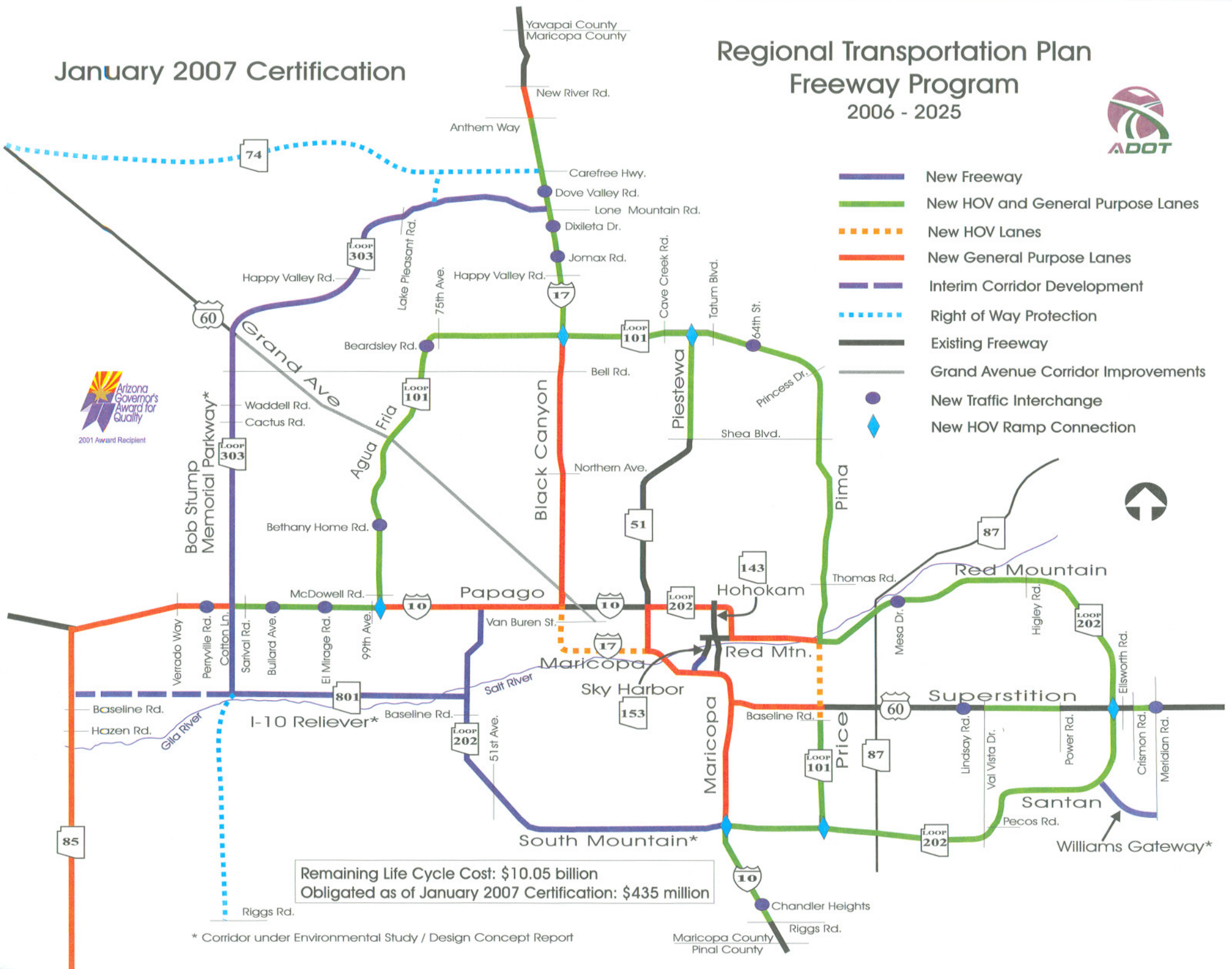
	Page
* Regional Transportation Plan Map.....	ii
* Introduction and History.....	1
* Executive Summary .....	3
* Revenue Projections .....	7
* Construction Costs .....	10
* Appendix.....	14

January 2007 Certification

# Regional Transportation Plan Freeway Program 2006 - 2025



- New Freeway
- New HOV and General Purpose Lanes
- - - New HOV Lanes
- New General Purpose Lanes
- - - Interim Corridor Development
- - - Right of Way Protection
- Existing Freeway
- Grand Avenue Corridor Improvements
- New Traffic Interchange
- ◆ New HOV Ramp Connection





## **INTRODUCTION AND HISTORY**

This semi-annual Regional Transportation Plan Freeway Program (RTPFP) Life Cycle Certification report is prepared in compliance with the 1991 Performance Audit of the Maricopa Association of Governments (MAG) Regional Freeway Program. The Arizona Department of Transportation (ADOT) will continue to produce semi-annual Certification report for the RTPFP. The report is designed to review the progress of the RTPFP and identify the projections and changes in program revenues and costs.

The RTPFP is funded by three primary revenue sources: the extension of the Maricopa County transportation excise tax (often referred to as the one-half cent sales tax or Regional Area Road Funds), the Arizona Department of Transportation's (ADOT) funds dedicated to Maricopa County and federal funds.

Per ARS 42-6105.E, 56.2 percent of all sales tax collections will be distributed to freeways and state highways; 10.5 percent will be distributed to arterial street improvements; and 33.3 percent will be distributed to the public transportation fund.

The RTPFP Life Cycle Program includes both new facilities and improvements to the existing system. Operation and maintenance of the system are also addressed. Projects include new freeway corridors, additional lanes on existing facilities, new interchanges at arterial cross streets, high occupancy vehicle ramps at system interchanges, noise mitigation and maintenance and operations programs.

The concept of a Life Cycle Program refers to a programming approach that forecasts and allocates funds through the full life of a major funding source. The Life Cycle Program covers the project program through fiscal year 2026, and reflects a fiscal balance between anticipated revenues and expenditures. The Life Cycle Program provides the necessary management tools to ensure both ADOT and MAG maintain realistic planning and construction schedules, predicated upon funding, and provide periodic reports to the public and other governmental agencies.

Arizona House Bill 2292, which was passed in the Spring 2003 session of the Arizona Legislature, established the Transportation Policy Committee which was tasked with developing a Regional Transportation Plan for Maricopa County, and established the process for an election to extend the current ½ cent County Transportation Excise Tax. The Regional Transportation Plan includes both new freeway corridors to serve growth in the region and improvements to the existing system to reduce current and future congestion. The Regional Transportation Plan also addresses quality of life issues such as noise mitigation, maintenance, litter control and landscaping. The Regional Transportation Plan has three major components: Freeways/Highways, Transit and Arterial Roads.

On November 2, 2004, voters in Maricopa County approved Proposition 400 to extend the existing half-cent Sales Tax for transportation for an additional twenty years to 2026. The current tax expired December 31, 2005. The extension began January 1, 2006.

The FY 2007-2011 RTP Freeway Program incorporated locally accelerated projects:

I-10, Sarival Rd. – Agua Fria Freeway (SR101L): Advanced from FY 2011/14 to FY 2008/09.

I-17, Dove Valley Rd. TI: Advanced from FY 2022 to FY 2007.

Arizona House Bill 2865, approved in the Spring session of the Arizona Legislature (2006), established the Statewide Transportation Acceleration Needs (STAN) account. The STAN account provided \$307 million to be used for the acceleration of the design, R/W acquisition and construction or reconstruction of freeways, state highways, bridges and interchanges on the statewide highway system.

Per HB 2865.G, 60 percent (\$184.2 million) would be distributed to projects in the Maricopa County region. Pima County would receive 16% (\$49.1 million) and remaining 24% (\$73.7 million) funds were distributed to the other thirteen counties. It is anticipated 5% increase interest income will increase the MAG allocation to \$193.4 million.

The legislation required that funds spent in Maricopa County region be allocated to projects in the MAG Regional Transportation Plan. Six projects approved by the MAG Regional Council and State Transportation Board include:

- \* I-10, Verrado Way – Sarival Rd.
- \* I-17, SR74 – Anthem Way
- \* Pima Freeway (SR101L), Tatum Blvd – Princess Dr.
- \* Price Freeway (SR101L), Baseline Rd. – Santan Freeway
- \* Bob Stump Memorial Parkway (SR303L), Bell Rd., Cactus Rd. and Waddell Rd intersections
- \* Williams Gateway Freeway, SR202L – Meridian Rd. for R/W Protection

A key management tool used for the Life Cycle Program is the development of certified revenues and costs. Certification involves the preparation of reliable cost estimates for the entire MAG system, as well as a forecast of revenues available to fund the system. The costs and revenues are reviewed and certified by ADOT every six months.

This certification of information pertaining to the Regional Transportation Plan Freeway Program constitutes the official position of ADOT and is used for all planning and programming purposes. It enhances the information flow to MAG and the public on a periodic basis and allows ADOT to make program adjustments as necessary.



## **EXECUTIVE SUMMARY**

The Director of the Arizona Department of Transportation has certified the MAG Area Life Cycle Program of the Regional Transportation Plan Freeway Program (RTPFP) effective January 31, 2007. This certification of the MAG Area Life Cycle Program incorporates the Draft Tentative FY 2008 – 2012 Regional Transportation Plan Freeway Program.

Revenue forecasts are based on a cutoff date of November 30, 2006.

### **Major Milestones since Last Certification**

- ❑ The Agua Fria Freeway (SR101L) at Bethany Home Rd., south half of TI was opened in August 2006. A ribbon cutting ceremony was held Thursday, August 3, 2006.
- ❑ The Superstition Freeway (US60) at Higley Rd. TI improvement project was advertised in August 2006 and awarded in November 2006.
- ❑ The Papago Freeway (I-10) at 43<sup>rd</sup> Ave. / 51<sup>st</sup> Ave. TI improvement project was advertised in September 2006 and awarded in November 2006.
- ❑ The Agua Fria Freeway (SR101L) from I-10 to I-17 Freeway Management System (FMS) construction project was advertised in September 2006 and awarded in November 2006.
- ❑ Quiet Pavement Phase VIII construction project was advertised in October 2006.
- ❑ The Black Canyon Freeway (I-17) at Jomax Rd. / Dixileta Dr. TI construction project was advertised in December 2006.
- ❑ The Superstition Freeway (US60) from Val Vista Dr. to Power Rd. landscape construction project was advertised in December 2006.
- ❑ SR85 from MC85 to Southern Ave. roadway construction project was advertised in December 2006.
- ❑ The Papago Freeway (I-10) at Bullard Ave. TI construction project was advertised in January 2007.

### **Program Changes**

The following changes to the Adopted FY 2007 – 2011 Regional Transportation Plan Freeway Program have been included in the new program.

- ❑ Incorporated Statewide Transportation Acceleration Needs (STAN) advanced projects.

- ❑ Updated design, R/W and construction costs based on latest estimates.
- ❑ Modified some design and R/W project schedules to align with study schedules.
- ❑ Modified some construction project schedules to align with design schedules.
- ❑ Repackaged I-17 R/W and construction projects based on latest information.
- ❑ Separated design and R/W projects from multi-phased projects.
- ❑ Adjusted South Mountain and Bob Stump Memorial Parkway (SR303L) projects based on the latest plan.
- ❑ Updated Asphalt Rubber Noise Mitigation projects.
- ❑ Minor project name changes to reflect updated project limits.
- ❑ Created TI improvement subprogram project on Agua Fria Freeway at Thunderbird Rd.
- ❑ Created new construction project at the I-10/SR303L TI.
- ❑ Created item for the Williams Gateway Freeway Corridor for continuous funding of R/W protection.
- ❑ Created TI improvements subprogram for continuous funding of TI improvement projects.
- ❑ Deleted design and construction of I-10, SR303L – Sarival Rd. project because scope is included in other project.
- ❑ Deleted future design and study funding because these projects are covered by the Management Consultant item.

### **Revenues**

Net funds available through year 2025 for the RTP Freeway Program show an increase of 880.9 million from the previous Certification. Details are presented in the “Revenue Projections” section, page 9.

### **Program Costs**

Obligations for the RTP Freeway Program totaled \$435 million. The remaining cost to complete the RTP Freeway Program totaled \$10.05 billion.

### **Design Concepts and Environmental Studies**

An Environmental Impact Statement (EIS) / Design Concept Report (DCR) is underway for the South Mountain Freeway Corridor (SR202L).



A DCR/Categorical Exclusion (CE) is underway for the Red Mountain Freeway Corridor (SR202L) between SR51 and the Pima Freeway (SR101L).

A DCR/Environmental Document (ED) is underway for the Red Mountain Freeway Corridor (SR202L) between the Pima Freeway (SR101L) and Gilbert Rd.

A DCR/ED is underway for the I-10 corridor between Sarival Rd. and the Agua Fria Freeway (SR101L).

A DCR/EIS is underway for the I-10 corridor between SR51 and the Santan Freeway (SR202L).

A DCR/Environmental Assessment (EA) is underway for the I-10 Reliever (SR801) between SR85 and the South Mountain Freeway (SR202L).

A DCR/EA is underway for the Bob Stump Memorial Parkway (SR303L) between the I-10 Reliever (SR801) and I-10.

A DCR/ED is underway for the Williams Gateway Freeway (SR802).

A DCR/EA is underway for the Bob Stump Memorial Parkway (SR303L) between I-10 and Grand Avenue (US60).

A DCR is underway at the SR85/I-8 TI.

A DCR/EA was completed for the Bob Stump Memorial Parkway (SR303L) between Happy Valley Rd. and I-17. The State Transportation Board adopted the recommended alignment in December 15, 2006.

### **Program Trends**

This certification confirms that the revenues and costs are in balance. However, there are other economic trends that the Department will continue to monitor.

For the first six months of fiscal year 2007, revenue growth rates for the Transportation Excise Tax Revenues have slowed compared to fiscal year 2006. This is primarily due to weaker than anticipated retail sales in Maricopa County.

FY 2007 bid amounts on several Regional Transportation Plan Freeway Program construction projects have not demonstrated a clear trend (some reflect higher costs than estimated while others reflect lower costs). Overall, bid amounts came close to ADOT's estimates with more bids received compared to FY 2006. Construction material costs have appeared to stabilize from the rapid increases that have been seen over the last two years. Although the increases have moderated, there has not been a significant decline for key commodities to previous levels.

However, based on numerous studies currently underway, construction and R/W costs for two new freeways (South Mountain and Bob Stump Memorial Parkway, SR303L) and major corridor improvement projects (I-10 and I-17) reflect significantly higher costs than initial estimates, which were developed in 2003. These higher estimates are due to increased costs for construction materials and substantial increases in real estate values, which result in higher right of way costs. Scope refinements identified during design studies have also led to certain cost increases. The Department will have better information to determine the magnitude of cost increases as studies progress. If these cost increases continue long term, they will have a substantial impact on the program and the Department's ability to deliver the program as currently planned, within the originally anticipated timeframe.

ADOT will continue to monitor market conditions and costs throughout fiscal year 2007 to determine if higher construction and right of way costs are short-term in nature or reflect general long-term trends.

ADOT also is updating cost estimates for the RTP Freeway Program based upon the results of design and scoping studies currently underway. The information from this work will be incorporated into ADOT's cost estimates as they become available.

ADOT will monitor and review these trends closely and will continue assessing the potential financial impact to the program.





Janet Napolitano  
Governor

Victor M. Mendez  
Director

## Arizona Department of Transportation Transportation Services Group

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John A. Bogert  
Chief of Staff

### LETTER OF CERTIFICATION

The Financial Management Services Office of the Arizona Department of Transportation (ADOT) has developed the following information describing the estimated funds available for construction of the Regional Transportation Plan Freeway Program from Fiscal Year 2006 through Fiscal Year 2026. This information updates certain information previously certified on July 31, 2006.

This information is intended primarily for internal planning purposes and requires reliance upon a variety of data and information sources. The revenue forecasts rely upon assumptions regarding future economic conditions and on forecasts of certain independent economic variables. These assumptions may or may not prove to be accurate. If the assumptions do not prove accurate, differences between forecast and actual results may occur.

We believe the results contained herein represent a realistic forecast of Maricopa County transportation excise tax revenues, MAG share of the ADOT funds and other available monies for the period described above and so certify. However, the Department will continue its practice of reviewing and updating the forecasts as needed on a semi-annual basis.

  
John E. McGee  
Chief Financial Officer

January 31, 2007  
Date



## FINANCIAL ASSUMPTIONS

Following are the assumptions made in estimating revenues available for the Regional Transportation Plan Freeway Program.

Bond Proceeds and Debt Service: The issuance of bonds secured by RARF and HURF revenues are assumed. Interest on the bond issues is assumed to be 5.0 % maximum. Bond maturities are assumed for up to 20 years. Bonds are amortized on a level debt service basis, and assume no refinancing or restructuring. No additional bonds secured by federal aid revenues are assumed.

Transportation Excise Tax: The forecast was developed during the October 2006 Risk Analysis session. Authority for and collection of the Proposition 300 transportation excise tax ended on December 31, 2005. The ½ Cent Sales Tax extension approved through Proposition 400 went into affect on January 1, 2006. Per ARS 42-6105.E, 56.2 percent of all sales tax collections will be distributed to freeways and state highways; 10.5 percent will be distributed to arterial street improvements; and 33.3 percent will be distributed to the public transportation fund.

ADOT Discretionary Funds, 37%: A 37 percent share of ADOT Discretionary Funds is programmed for the MAG Region.

Highway User Revenue Fund (HURF), 15%: The MAG area receives annual funding in the form of ADOT 15 percent funds, which are allocated from the Highway User Revenue Fund. These funds are spent for improvements on controlled access routes on the State Highway System.

Federal Aid: Federal Aid includes STP and CMAQ funds. The Federal Aid forecast assumes an annual average of \$34.1 million (until FY 2015) of MAG sub-allocated federal funds will be dedicated to the RTP Freeway Program.

Statewide Transportation Acceleration Needs (STAN): Per HB 2865.G, 60 percent of the STAN (\$184.2 million) would be distributed to projects in the Maricopa County region. Pima County would receive 16% (\$49.1 million) and remaining 24% (\$73.7 million) funds were distributed to the other thirteen counties.

Interest Income: Assumes a 3.0% investment rate with 95% invested. Interest income is dependent on prior month's average cash balance.

Third Party Billing: Represents local funds and State federal funds for programmed projects.

Other Income: Includes building rent, sales of excess property and other miscellaneous income.

Discount Factor: Base year is FY 2007. An annual inflation factor is applied to the costs based on estimated construction and right of way cash flows. See Appendix A.



Additional assumptions regarding the funding from ½ Cent Sales Tax Extension include the following principles:

- Firewalls are established so funding cannot be transferred from one category to another.
- Bond proceeds will only be used for capital costs and not for maintenance or operation expenses.
- Consistent with the “firewall” principle, bonding for each funding category will be done independently.

### Revenue Sources and Uses

The following pie chart depicts the sources and uses of Regional Transportation Plan Freeway Program revenues. The sources consist of the transportation excise tax (1/2 cent sales tax), ADOT Funds and various other revenues. The transportation excise tax makes up 49 percent of the total revenues, with ADOT Funds reflecting 47 percent and the remaining 4 percent consisting of various other funding sources, primarily federal aid.

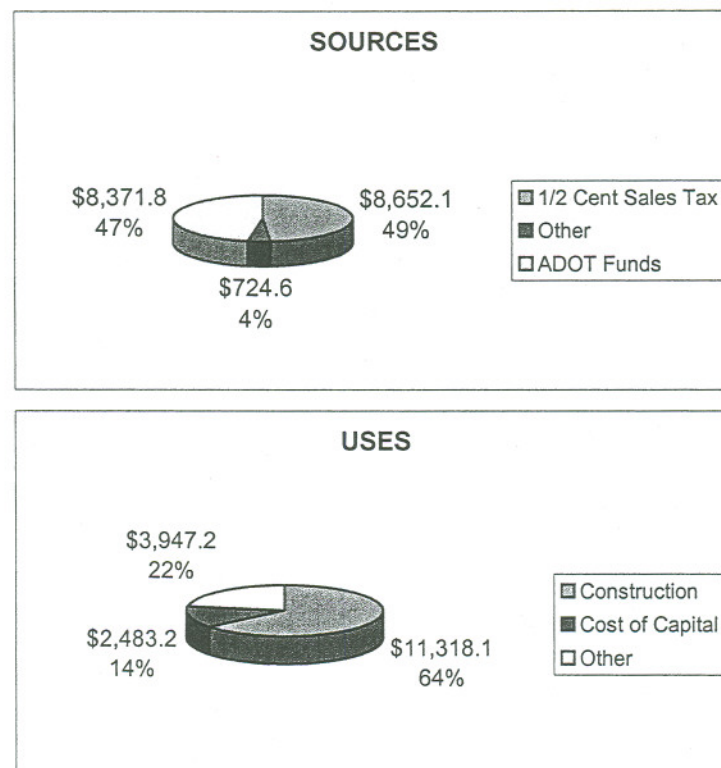
Of the available funding, 64 percent is used for design, right of way and construction. Of the remainder, 14 percent is used for cost of capital and 22 percent is used for a discount factor and Regional Public Transit Authority (RPTA) transfers.

### **Certified Financial Plan**

Fiscal Years 2006 – 2026

(dollars in millions)

Total Sources/Uses : \$17,748.5



\* Construction includes design, right of way and construction

### Net Revenues

The following chart reflects a breakdown of the individual revenues and costs for the Regional Transportation Plan Freeway Program.

REVENUES	July 2006	January 2007	Change
1/2 Cent Sales Tax	\$8,199.7	\$8,652.1	\$452.4
Highway User Revenues	\$2,629.1	\$2,696.4	\$67.3
Federal Aid /1	\$570.1	\$572.8	\$2.7
MAG 37% Dedicated	\$5,241.1	\$5,241.1	\$0.0
State Discretionary /2	\$242.0	\$240.9	(\$1.1)
3rd Party	\$31.2	\$36.7	\$5.5
STAN	\$0.0	\$193.4	\$193.4
Interest Income /3	\$37.5	\$77.5	\$40.0
Other Income	\$37.9	\$37.6	(\$0.3)
<b>Subtotal: Revenues</b>	<b>\$16,988.6</b>	<b>\$17,748.5</b>	<b>\$759.9</b>
EXPENDITURES			
Cost of Capital /4	(\$2,403.0)	(\$2,483.2)	(\$80.2)
Discount Factor /5	(\$3,906.0)	(\$3,702.8)	\$203.2
RPTA Transfer	(\$221.8)	(\$221.7)	\$0.1
Other Costs	(\$20.6)	(\$22.7)	(\$2.1)
<b>Subtotal: Costs</b>	<b>(\$6,551.4)</b>	<b>(\$6,430.4)</b>	<b>\$121.0</b>
<b>Net Funds Available</b>	<b>\$10,437.2</b>	<b>\$11,318.1</b>	<b>\$880.9</b>

Notes: Details may not add due to rounding. Dollars in millions.

/1 Includes STP and CMAQ.

/2 Includes Dedicated Highway, Discretionary transfer to Grand Ave, Bethany Home Rd and Wickenburg Bypass.

/3 Interest income is on a cash basis and assumes a 3% rate with 95% invested. Interest income is dependent on fund balances.

/4 Includes estimated RARF, HURF, GAN interest expense and debt service fund interest earned.

/5 Discount Factor represents conversion of construction program from inflated to current dollars.



## **Freeway Construction Costs and Changes**

The design and construction cost estimates for the Regional Transportation Plan Freeway Program (RTPFP) projects are thoroughly reviewed and updated by three management consultants, DMJM Harris, HDR and PB for the RTP Freeway Program. The management consultants continually review and evaluate design and construction cost estimates. They also provide preliminary engineering services by developing Stage I (15%) and Stage II (30%) project documents for the RTPFP. This effort helps define design and right of way requirements allowing ADOT to establish better cost estimates for design, right of way, utility relocations and construction. They further monitor the design consultants' cost estimates through the remaining design phases including the final estimates. The management consultants also evaluate contractor bids for RTPFP construction projects to constantly monitor construction unit cost trends, such as the cost of concrete, asphalt, structures, drainage and other items used to establish project cost estimates.

The revenue forecast was developed during the October 2006 Risk Analysis Process. Panel members from various segments of the real estate and economic community were invited to discuss future risks and trends in revenues. The risk analysis process consultant updated construction cost forecast models and utilized the panel input to calculate discount factors. The consultant, ADOT Financial Management services, MAG and Regional Freeway System office reviewed the discount factors and made adjustments to fit current cost trends. The information collected was used in the Risk Analysis Process to ensure that ADOT has sufficient resources to complete the RTPFP Life Cycle Program by projecting the rate of construction cost growth for the Life Cycle period (See Appendix A for Discount Factors).

## Obligations

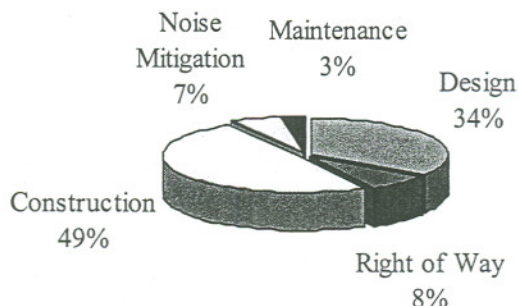
Obligations by phase and corridor are listed in the table below. These figures are through November 30, 2006. Regional Transportation Plan Freeway Program (RTPFP) obligations since the last certification increased \$201 million, from \$234 million to \$435.

### Regional Transportation Plan Freeway Program Obligations Through November 30, 2006

(dollars in millions)

Corridor	Design	Right of Way	Construction	Noise Mitigation	R/W Protection	Maintenance	Total
I-10, Papago & Maricopa	\$15.4	\$0.4	\$10.3	\$0.0	\$0.0	\$0.0	\$26.1
I-10 Reliever (SR801)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
I-17, Black Canyon	\$9.5	\$14.6	\$54.1	\$0.0	\$0.0	\$0.0	\$78.2
SR51	\$3.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3.5
US60, Grand Ave	\$2.4	\$0.0	\$6.1	\$0.0	\$0.0	\$0.0	\$8.5
US60, Superstition	\$0.1	\$0.0	\$96.7	\$0.0	\$0.0	\$0.0	\$96.8
SR74	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
SR85	\$19.0	\$6.7	\$18.1	\$0.0	\$0.0	\$0.0	\$43.8
SR87, Beeline	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
SR88, Apache Trail	\$0.2	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.4
US93	\$0.0	\$10.6	\$0.0	\$0.0	\$0.0	\$0.0	\$10.6
101L, Agua Fria	\$0.7	\$0.0	\$25.1	\$0.0	\$0.0	\$0.0	\$25.8
101L, Pima	\$6.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.0
101L, Price	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0
SR153, Sky Harbor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
202L, Red Mountain	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
202L, Santan	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
202L, South Mountain	\$3.3	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$3.8
SR303L, Bob Stump Memorial Parkway	\$39.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$39.0
Williams Gateway	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Systemwide	\$47.4	\$2.9	\$2.2	\$26.5	\$0.0	\$11.7	\$90.7
<b>TOTAL</b>	<b>\$148.5</b>	<b>\$35.7</b>	<b>\$212.8</b>	<b>\$26.5</b>	<b>\$0.0</b>	<b>\$11.7</b>	<b>\$435.2</b>

### RTP Freeway Program Obligations





### Remaining System Costs

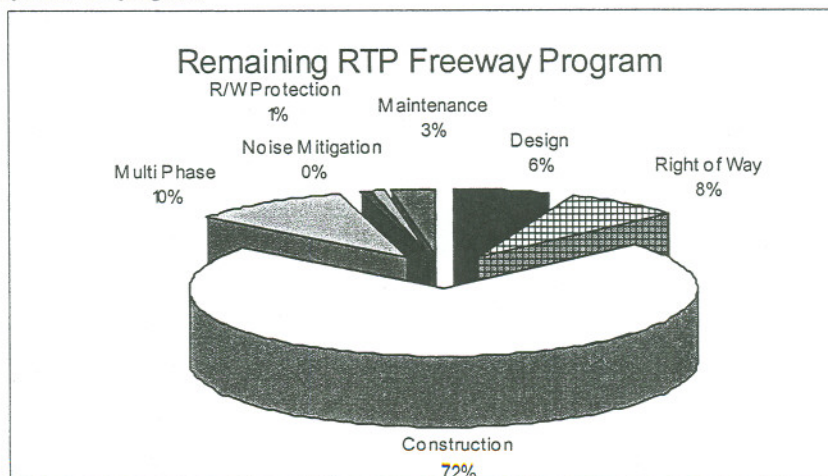
There remain \$10.05 billion of costs associated with the Regional Transportation Plan Freeway Program (RTPFP), a increase of \$482 million from the July 2006 Certification.

### Regional Transportation Plan Freeway Program (dollars in millions)

Regional Transportation Plan Freeway Program								
Corridor	Design	Right of Way	Construction	Multi Phase*	Noise Mitigation	R/W Protection	Maintenance	Total
I-10, Papago & Maricopa	\$50.1	\$35.0	\$951.2	\$5.5	\$0.0	\$0.0	\$0.0	\$1,041.8
I-10 Reliever (SR801)	\$0.0	\$69.0	\$464.0	\$271.0	\$0.0	\$0.0	\$0.0	\$804.0
I-17, Black Canyon	\$21.6	\$86.3	\$1,061.3	\$370.0	\$0.0	\$0.0	\$0.0	\$1,539.2
SR51	\$4.2	\$0.0	\$108.4	\$0.0	\$0.0	\$0.0	\$0.0	\$112.6
US60, Grand Ave	\$6.2	\$0.0	\$222.6	\$34.0	\$0.0	\$0.0	\$0.0	\$262.8
US60, Superstition	\$4.5	\$0.0	\$44.4	\$0.0	\$0.0	\$0.0	\$0.0	\$48.9
SR74	\$0.0	\$0.0	\$5.6	\$0.0	\$0.0	\$48.0	\$0.0	\$53.6
SR85	\$0.0	\$0.0	\$141.9	\$22.5	\$0.0	\$0.0	\$0.0	\$164.4
SR87, Beeline	\$0.0	\$0.4	\$21.5	\$0.0	\$0.0	\$0.0	\$0.0	\$21.9
SR88, Apache Trail	\$0.0	\$0.0	\$1.5	\$0.0	\$0.0	\$0.0	\$0.0	\$1.5
US93	\$0.0	\$0.0	\$29.0	\$0.0	\$0.0	\$0.0	\$0.0	\$29.0
101L, Agua Fria	\$41.5	\$0.0	\$433.4	\$0.0	\$0.0	\$0.0	\$0.0	\$474.9
101L, Pima	\$24.3	\$0.0	\$375.5	\$9.0	\$0.0	\$0.0	\$0.0	\$408.8
101L, Price	\$8.0	\$0.0	\$100.5	\$2.8	\$0.0	\$0.0	\$0.0	\$111.3
SR153, Sky Harbor	\$0.1	\$0.0	\$16.6	\$0.0	\$0.0	\$0.0	\$0.0	\$16.7
202L, Red Mountain	\$40.7	\$0.0	\$461.0	\$0.0	\$0.0	\$0.0	\$0.0	\$501.7
202L, Santan	\$32.1	\$0.0	\$342.4	\$0.0	\$0.0	\$0.0	\$0.0	\$374.5
202L, South Mountain	\$25.0	\$225.0	\$767.0	\$65.0	\$0.0	\$0.0	\$0.0	\$1,082.0
SR303L, Bob Stump Memorial Parkway	\$29.0	\$177.3	\$1,460.0	\$40.0	\$0.0	\$52.0	\$0.0	\$1,758.3
Williams Gateway (SR802)	\$10.0	\$32.3	\$203.0	\$110.0	\$0.0	\$0.0	\$0.0	\$355.3
Systemwide	\$317.1	\$129.0	\$21.2	\$110.4	\$45.5	\$0.0	\$267.0	\$890.2
<b>TOTAL</b>	<b>\$614.4</b>	<b>\$754.3</b>	<b>\$7,232.0</b>	<b>\$1,040.2</b>	<b>\$45.5</b>	<b>\$100.0</b>	<b>\$267.0</b>	<b>\$10,053.4</b>

\* Multi Phase: Includes more than one phase (For example, project described as "Design and R/W" or "Design and Construction" etc.).

- Notes: 1. R/W Protection priorities to be determined.  
2. Freeway Management System funding has been distributed to individual corridors or to Systemwide program.



## Right of Way

As of December 1, 2006, the Right of Way Group acquired 231 acres for the RTP Freeway Program.

### **RTP Freeway Program Right of Way** (acres)

Corridor	Acquired R/W
I-10, Papago & Maricopa	3.0
I-10 Reliever (SR801)	0.0
I-17, Black Canyon	43.3
SR51	0.0
US60, Grand Ave.	0.0
US60, Superstition	0.0
SR74	0.0
SR85	73.8
SR87, Beeline	0.0
SR88, Apache Trail	0.0
US93	107.5
101L, Agua Fria	0.0
101L, Pima	0.0
101L, Price	0.0
SR153, Sky Harbor	0.0
202L, Red Mountain	0.0
202L, Santan	0.0
202L, South Mountain	3.4
SR303L, Bob Stump Memorial Parkway	0.0
Williams Gateway	0.0
Systemwide	0.0
<b>Total</b>	<b>231.0</b>





Janet Napolitano  
Governor

Victor M. Mendez  
Director

# Arizona Department of Transportation

## Intermodal Transportation Division

206 South Seventeenth Avenue Phoenix, Arizona 85007

Sam Elters  
State Engineer

### LETTER OF CERTIFICATION

The Intermodal Transportation Division of the Arizona Department of Transportation (ADOT) has completed a six month review and update of costs associated with construction of the Regional Transportation Plan (RTP) Freeway Program. Construction and design costs have been updated by our Valley Project Management Group; DMJM Harris, HDR and PB, our three management consultants; and the consultants currently preparing final construction plans. Right of way costs have been updated by the ADOT Right of Way Group reflecting current appraisals and changes in right of way requirements. This information replaces data previously certified on July 31, 2006.

The construction and right of way cost data in this document provides an accurate accounting of costs incurred and includes a realistic estimate of future costs based upon current construction costs and real estate values. Estimated future costs are subject to changes in the economy and are affected by variables in national, state and localized market values and trends.

The results of our review provide an accurate basis upon which to schedule and fund the balance of the freeway construction program for Fiscal Years 2008-2012. Today, the Regional Transportation Plan Freeway Program continues to be on schedule and within budget. However, the Department will continue to monitor all trends.

Sam Elters  
Sam Elters  
State Engineer

2/14/07  
Date



## Appendix A

Discount factors representing the rate of construction cost growth are calculated using software developed by HDR - Hickling, Lewis and Brod Inc. Data from the October 2006 Risk Analysis Process (RAP) for construction was utilized to compute factors for design and construction. These factors represent potential cost growth which includes general inflation.

### **Cash Flow Discount Factors** (percent)

#### For Design & Construction

#### For Right of Way

Fiscal Year	Design & Construction	Fiscal Year	Right of Way
2008	6.0	2008	6.0
2009	3.0	2009	3.0
2010	3.0	2010	3.0
2011	3.0	2011	3.0
2012	3.0	2012	3.0